IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No 203 of 1986

For Approval and Signature:

Hon'ble MR.JUSTICE A.R.DAVE
and
Hon'ble MR.JUSTICE D.A.MEHTA

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

COMMISSIONER OF INCOME-TAX

Versus

ATUL PRODUCTS LIMITED

Appearance:

1. INCOME TAX REFERENCE No. 203 of 1986
MR MANISH R BHATT for Petitioner No. 1
MR JP SHAH for Respondent No. 1

CORAM : MR.JUSTICE A.R.DAVE
and
MR.JUSTICE D.A.MEHTA

Date of decision: 10/07/2001

ORAL JUDGEMENT

(Per : MR.JUSTICE A.R.DAVE)

1. At the instance of the revenue, the following question has been referred to this Court for its opinion under the provisions of Sections 256(1) of the Income Tax Act, 1961 (hereinafter referred to as "the Act") by the Income Tax Appellate Tribunal, Ahmedabad Bench `A'.

"Whether on the facts and in the circumstances of the case, the Appellate Tribunal has erred in law in deleting the disallowance of guest house expenses amounting to Rs.25,553/-?"

2. Learned advocate Shri Bharat Naik has appeared for the applicant whereas learned advocate Shri Manish Shah has appeared for the respondent-assessee.

3. The question which has been referred to this Court is with regard to the amount spent by the assessee towards the guest house. During the pendency of the reference, the issue which has been raised in the present reference has already been answered by this Court in the case of Commissioner of Income Tax v. Maharana Mills Ltd, 208 ITR 972 and Commissioner of Income Tax v. Kaira District Co-operative Milk Producers' Union Limited, 209 ITR 898. Upon perusal of the judgments delivered by this Court in the cases referred to hereinabove, we are of the view that the question which has been referred to this Court has been squarely answered by this Court in the judgments referred to herein above.

4. Looking to the law laid down in the judgments stated hereinabove, we are of the view that the Tribunal was right in deleting disallowance of the guest house expenses amounting to Rs.25,553/-. We, therefore, decide the question in the negative i.e. in favour of the assessee and against revenue.

The reference stands disposed of accordingly with no order as to costs.

9.7.2001. (A.R. Dave, J.)

(D.A. Mehta, J.)

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